

Draft Budget Instructions FY 2004 - 2006



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Budget Instructions FY 04 - 06

- Revenue and Budget Update
- Overview of Proposed Draft Budget Instructions



Revenue and Budget Update

- June 19th A & R Meeting
 - Quarterly “888” Report (KRS 48.400)
 - April and May Receipts
 - Unbudgeted Expenditures (NGE)
 - Federal Fiscal Relief
 - Impact of Federal Tax Cuts
 - Tobacco Funds
 - Rating Agency Visit



Revenue Update

- Quarterly “888” Report (KRS 48.400)
 - FY 03 \$81.7 Million Revenue Shortfall
- April Receipts
 - .4% Decline Compared to April '02
 - 4.4% Growth Year to Date
 - Sales and Individual Income Tax Declines
 - Consistent with Quarterly Report



Budget Update

- HB 269 Projected FY 03 Ending Balance of \$137 Million – Which is Budgeted in FY 04
- Variables Impacting Ending Balance
 - Actual Revenue Receipts
 - Unbudgeted Expenditures (NGE)
 - Lapses
 - Unanticipated Receipts



Budget Update

- Federal Fiscal Relief
 - Flexible Grant
 - \$68.7 Million in FFY 2003 (June or July, 2003)
 - \$68.7 Million in FFY 2004 (by October, 2003)
 - Medicaid FMAP Increase
 - \$55.8 Million in FFY 2003
 - \$83.0 Million in FFY 2004



Budget Update

- Tobacco MSA Payments
 - April 15 Payments Received
 - \$767,070 Excess Receipts

- Rating Agency Visit
 - Standard & Poor's Confirmed "A+"
 - No Recent Actions By Moody's or Fitch



Proposed Budget Instructions

- Formal Initiation of the Budget Development Process
- Comprehensive Instructions – All Branches
- Review of Prior Budget Instructions
- Operating and Capital Budgets
- Volume of Information
 - Covers 5 Fiscal Years
 - Programmatic Information
 - Fiscal Information
 - Policy Information



Proposed Budget Instructions

- Operating Budget
 - Base – FY 04 (as Revised, if applicable)
 - Current Services Definition
 - Personnel Costs
 - Position Count to Reflect Reductions
 - Increment Policy
 - August 1 Snapshot



Proposed Budget Instructions

- Operating Budget
 - Performance Information
 - Compliance Concerns
 - Maintain Performance Budget Pilot Units
 - Additional Budget Requests
 - Service Restoration



Proposed Budget Instructions

- Capital Budget
 - Capital Information Technology System Record (HB 43, 2003)
 - Capital Equipment Pool Authorization for Postsecondary Education Institutions



Additional Information

(Uniform Cost Drivers)

- “Aids to Calculations”
 - Salary Increments
 - Employer Social Security and Medicare Rates
 - Retirement Employer Contribution Rates
 - Health Insurance Costs
 - Life Insurance Costs
 - Workers’ Compensation Premiums
 - Rental and Utility Charges for State-Owned Space
 - Telecommunications Costs
 - Computer Services Charges
 - Debt Service Rates
 - Motor Pool Rental Charges
 - Facilities Security Charges
 - Governmental Services Center Charges